

ECONOMIC SERVICES DIVISION

Committee on China

(Minutes of Thirty-second Meeting — 1400 hours, 10 May 1955)

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Present: Messrs: [REDACTED]

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Guests : Messrs. [REDACTED] St/I and [REDACTED]

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The following items of current interest were discussed:

1. Serious floods in Indonesia will require that country to import rice in 1955.

2. An unconfirmed and doubtful report that China's first automobile plant has been moved from Changchun to a site near Tsitsihar suggests that the latter may be the site of the proposed tractor factory.

3. The Communist Chinese announcement that only 26% of the basic construction plan has been completed in the first two years of the Five Year Plan and that rate of construction must be doubled in 1955 is a possible indication of difficulties faced by the regime.

4. The new stations broadcasting propaganda to Formosa, probably from near Foochow, appear to have selected wave lengths that overlap Formosa broadcasting stations, which may indicate an all-out jamming effort. The U.S. Air Attache on Formosa has been asked to report on actual effect of mainland broadcasts on audibility of Formosa stations.

5. The Viet Minh have been trying to get large quantities of POL from Russia; both Viet Minh and China suffer from a shortage of drums, and the latter country has requested Czechoslovakia to step up shipments.

6. The fact that exports from Hong Kong to China in April were the lowest for any month since the Communist takeover in China suggests that foreign exchange is being channeled into smuggling activities--probably of POL supplies.

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